Senators Eye Hughes-Rebozo Dealings

By Jack Anderson

Senators would like to question two of America's most mysterious figures—phantom billionaire Howard Hughes and President Nixon's shadowy friend Charles G. (Bebe) Rebozo—about their backdoor dealings.

The Senate Watergate committee has been quietly checking into a column we wrote two years ago about the strange Hughes-Rebozo-Nixon relationship. Last week, the committee's crack investigator, Terry Lenzner, gave the senators his preliminary findings behind closed doors. Here's what he told them:

A Hughes henchman, Richard Danner, slipped $100,000 in $100 bills to Rebozo in two separate, $50,000 packages, which were delivered directly to the President's cross-country estates at Key Biscayne, Fla., and San Clemente, Calif., in 1969 and 1970.

The payments coincided closely with two government decisions favorable to Hughes. In June, 1969, President Nixon approved the sale of Air West to Hughes. The following year, the Justice Department reversed an antitrust action which had barred Hughes from expanding his hotel-casino empire in Las Vegas.

A few weeks after the final $50,000 delivery was made, then-Attorney General John N. Mitchell brought Danner into his office and informed him of the favorable antitrust decision.

Lenzner's findings confirm, essentially, what we have written. The White House swore to us that President Nixon never received the $100,000. Danner swore the money was intended as a campaign contribution and was never mentioned to Mitchell. And Rebozo swore through an intermediary that he has never misused any campaign money.

As Lenzner ticked off his findings at the closed-door meeting, Vice Chairman Howard Baker (R-Tenn.) expressed quiet dismay. He would like to end the Watergate investigation, but new revelations keep bubbling up.

"If you can verify those facts," he told Lenzner, "we have a whole new can of worms." After the meeting, other senators told us they would like to take testimony from both Hughes and Rebozo.

Mr. Nixon first got entangled with Hughes in December, 1956, when the eccentric billionaire siphoned $205,000 from a political fund in Canada and loaned the money to Mr. Nixon's brother, Donald. The loan was secured by a vacant family lot appraised at $13,000.

Noah Dietrich, a respected former Hughes executive, told us he tried to dissuade Richard Nixon from approving the loan. Dietrich said he flew to Washington to talk to Mr. Nixon, then Vice President, about the loan.

"I tried to discourage him," said Dietrich, "against taking this loan for his brother. I told him, 'You can't keep this quiet. Too many people know.' He told me, 'Noah, I have to consider my family ahead of my political career'."

A few weeks after Donald Nixon received the $205,000 loan, the Internal Revenue Service granted tax-exempt status to the Howard Hughes Medical Institute. Twice previously, the IRS had refused to treat the institute as a nonprofit organization.

By an interesting coincidence, IRS last year conducted an intensive tax investigation of Robert Maheu, who used to run the billionaire's Nevada operation but is now suing him.

Incredibly, two Hughes representatives, Chester Davis and Mickey West, had a ringside seat at an IRS interrogation. When Danner was questioned by IRS field agents Donald Skelton and Richard Lebar, the Hughes people were present. Danner has admitted this in a deposition that hasn't yet been made public by the court.

"Mr. Chester Davis and Mr. Mickey West were present," testified Danner, "during the investigation . . ."

"Who," asked Maheu's attorney, Morton Galane, "was being investigated?"

"Mr. Robert Maheu," said Danner.

"And Chester Davis was there and you said nothing, and you were giving testimony against Robert Maheu? Is that what you're testifying to, Mr. Danner?" asked the attorney.

"That was substantially the situation," said Danner.

Galano also asked Danner who directed him to appear before the IRS agents "so that you can give sworn testimony to get Robert Maheu into trouble with the United States government?"

Danner testified that he had been contacted by Bob Morgan, a Hughes financial officer.

We asked the IRS about these strange circumstances. "There's anothing we can say," a spokesman told us, "not even to confirm that an investigation of Maheu is going on."

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